

SCHEME OF AMALGAMATION AND ARRANGEMENT

OF

HEM MULTI COMMODITIES PRIVATE LIMITED - TRANSFEROR COMPANY 1

AND

HEM FINLEASE PVT LTD - TRANSFEROR COMPANY 2

WITH

HEM SECURITIES LIMITED - TRANSFeree COMPANY

AND

THEIR SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

1. PREAMBLE

This Scheme of Amalgamation and Arrangement (the “**Scheme**”) provides for amalgamation of Hem Multi Commodities Private Limited (Company Registration Number: 010383 and having Corporate Identification Number: U67120RJ1995PTC010383) incorporated under the Companies Act, 1956 on July 14, 1995 (“**Transferor Company 1**”) and Hem Finlease Pvt. Ltd. (Company Registration Number: 011799 and having Corporate Identification Number: U65910RJ1996PTC011799) incorporated under the Companies Act, 1956 on March 27, 1996 (“**Transferor Company 2**”), (**Transferor Company 1** and **Transferor Company 2** collectively referred to as “**Transferor Companies**”) with Hem Securities Limited (Company Registration Number: 010390 and having Corporate Identification Number: U67120RJ1995PLC010390) incorporated under the Companies Act, 1956 on July 14, 1995 (“**Transferee**

Company”) pursuant to Sections 230 to 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof). This Scheme also provides for various other matters consequential or otherwise connected therewith.

1.1. Description of Companies

(a) Transferor Company 1: Hem Multi Commodities Private Limited is a private limited company incorporated under the provisions of the Companies Act, 1956 and presently having its registered office at 210, Jaipur Tower, M.I. Road Jaipur 302001 (Rajasthan). The Transferor Company 1 was incorporated as a private limited company on July 14, 1995, under the name and style of Bairathi Securities Private Limited under the Companies Act, 1956 as per the Certificate of Incorporation, issued by the Registrar of Companies, Rajasthan. The name of the company was subsequently changed to M/s. Bairathi Multi Commodities Private Limited and accordingly a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies on August 27, 2003. Thereafter the name of the company was again changed from M/s. Bairathi Multi Commodities Private Limited to M/s. Hem Multi Commodities Private Limited and accordingly a fresh Certificate of Incorporation was issued by the Registrar of Companies, Rajasthan on July 30, 2004.

Main objects of the Transferor Company 1 is as follows:

- (i) To carry on the business of trading in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities.
- (ii) To carry on the business as brokers, sub brokers, market makers, arbitrageurs, investors and/or hedger in agricultural products, metals including precious metals, precious, stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities permitted under the laws of India.

- (iii) To become members and participates in trading, settlement and other activities of commodity exchange/s (including national multi-commodity exchange/s) facilitating, for itself or for clients, trades and clearing/settlement of trades in spots, in futures and in derivatives of nil the above commodities permitted under the laws of India.

The details of the authorised, issued, subscribed and paid-up share capital of the Transferor Company 1 is set out in the Scheme.

(b) Transferor Company 2: Hem Finlease Pvt. Ltd. is a private limited company incorporated under the provisions of the Companies Act, 1956 and presently having its registered office at 203, Jaipur Tower, M.I. Road Jaipur-302001 (Rajasthan). The Transferor Company 2 was constituted as a private limited company on March 27, 1996, under the name and style of Hem Finlease Pvt. Ltd. under the Companies Act, 1956 as per the Certificate of Incorporation issued by the Registrar of Companies, Rajasthan.

Main objects of the Transferor Company 2 is as follows:

- (i) To undertake and carry on the business as share and stock brokers, finance brokers and act as sub-brokers to execute all kinds of financial commercial and trading operations and other transactions either on behalf of clients or otherwise to invest in and acquire and hold, sell, buy or otherwise deal in shares, stocks, debentures, debenture stocks, bonds, securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and securities issued or guaranteed by Indian or foreign governments, state dominion, sovereign ruler, commissioner, public body or authority, supreme, municipal, local or otherwise, whether in India or elsewhere by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same either conditionally or otherwise and to guarantee the subscription there of and to exercise and enforce all right and powers conferred by or incidental to the ownership there of and to dispose of, sell, exchange, transfer or alienate any of the company's investment and any other securities and quota/licence or any other financial instruments listed or permitted in recognised stock exchange, OTC, other government/semi-government

institution/body or traded otherwise, either for ready or on forward transactions and to discount, buy, sell and deal in bills of exchange, letters of credits, notes warrants, coupons, suits and decrees for money granted by any court in the union of India and other negotiable of transferable securities or documents in which dealing is permissible as per stock exchange regulations and other laws in force from time to time.

(ii) To establish and carry on the business of investment/merchant banking and financial services including underwriting for securities, managing public issues of shares/debentures of limited companies, acting as issue house, shares transfer agents and registrars to public issue of shares/ debentures/ other securities, providing, financial consultancy and procurement of loans from banks, financial institutions, mutual funds and to promote, establish, finance or in any other manner support of encourage establishment of industrial enterprises engaged in industrial, financial and trading activities however the company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.

(iii) To carry on and undertake the business of portfolio management schemes and to manage the funds of the investors by investment in various avenues like growth fund, income fund risk fund, tax exemption funds/schemes, pension/superannuation funds and to pass on the benefits of portfolio investments to the investors as dividends bonus, interest etc. and to provide a complete range of other personal financial services like investment planning, estate planning, tax planning, consultancy/counseling, services and to undertake the business arranging/managing and/or providing venture capital, seed capital, risk capital promoters capital etc.

(iv) To carry on the business of industrial and general financiers, financing agents, financial brokers, brokers, investor's concessionaries, dealers contractors, booking agents, managers, trustees, advertisers to all kinds of securities and financial instruments and to from mutual funds, asset management company and to obtain membership registration of stock agency/exchanges/government/semi government/institutions/bodies and

to apply for and become a corporate member of any stock exchanges, national stock exchange of India (NSEI) or over the counter exchanges (OTCEI) in India, if permissible by law.

- (v) To carry on business of leasing and hire purchase, investment in shares and securities, sick-industries Rehabilitation, Bridge financing, Bill discounting, International capital market operations, money market operations, share finance, venture capital finance and other inter-related activities of lending money financial industrial enterprises, borrow money, accepting deposits and loans.

The details of the authorised, issued, subscribed and paid-up share capital of the Transferor Company 2 is set out in the Scheme.

(c) Transferee Company: Hem Securities Limited is a public limited company incorporated under the provisions of the Companies Act, 1956 and presently having its registered office at 203, Jaipur Tower, M.I. Road, Jaipur 302001 (Rajasthan). The Transferee Company was originally incorporated as a public limited company on July 14, 1995, under the name and style of Hem Securities Limited under the Companies Act, 1956 as per the Certificate of Incorporation issued by the Registrar of Companies, Rajasthan.

Main objects of the Transferee Company are as follows:

- (i) To carry on the business as share and stock brokers, underwriters, sub-underwriters, agents and brokers for taking hold, dealing in converting stocks, shares and securities of all kinds, brokers for units of Unit Trust of India, brokers for debentures, bonds, Government Securities, National Savings Certificates, small savings scheme and for securities of all kinds and to carry on the above business in India or abroad.
- (ii) To establish and carry on the business of investment/merchant banking custodian services sponsoring and market maker of issues at OTCEI/any other stock exchange and financial services including underwriting for securities, managing public issues of shares/debentures of public limited

companies, acting as issue house, share transfer agents and registrars to public issue of shares/debentures/other securities, collecting applications from public and right issues, providing financial consultancy, placement of commercial paper and procurement of loans from banks, financial institutions, and to promote, establish, finance or in any other manner support or encourage establishment of industrial enterprises engaged in industrial financial and trading activities however the company shall not carry on the business of banking as defined under the Banking Regulation Act 1949.

- (iii) To carry on and undertake the business of portfolio management schemes and to manage the funds of the investors by investment in various avenues like growth funds, income fund, risk fund, tax exemption funds/schemes, pension/superannuation funds and to pass on the benefits of portfolio investments to the investors as dividends bonus, interest etc. and to provide a complete range of other personal financial services like investment planning, estate planning, tax planning, consultancy/counseling services and to undertake the business of arranging/managing and/or providing venture capital, seed capital, risk capital, promoters capital.

The details of the authorised, issued, subscribed and paid-up share capital of the Transferee Company are set out in the Scheme.

1.2. Rationale for the Scheme

The amalgamation of Transferor Companies with Transferee Company is being proposed inter alia for the purpose of developing the potential for further growth and expansion of the business and to have better synergies, optimization of resources and fund raising capabilities. Membership of Stock Exchanges in name of Transferor Companies would be used in the single entity i.e. Transferee Company resulting in ease of operations. It would further result in following benefits:

- (a) The combination of Transferee Company and Transferor Companies brings strength that each company does not necessarily possess individually.

- (b) The Transferor Companies and Transferee Company intend to achieve larger product portfolio, economies of scale, efficiency, and other related economies by consolidating the business operations being managed under the same management. This scheme of arrangement intends to merge the operations of the Transferor Companies with that of the Transferee Company to fulfil this objective.
- (c) The Transferee Company will have the benefit of the combined resources of Transferor Companies and Transferee Company. The Transferee Company would be in a position to carry on consolidated operations through optimum utilization of resources, avoidance of duplication and better financial strength.
- (d) Elimination of administrative functions and multiple record-keeping and multiple regulatory compliances, thus resulting in reduced expenditure and productivity gains by pooling of financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the parties.
- (e) Improved shareholder value for the companies by way of improved financial structure and cash flows, increased asset base and stronger consolidated revenue and profitability.
- (f) This scheme of amalgamation will enable the clients in ease of operation of their Demat/ trading accounts and to trade at all the stock exchanges of transferor and transferee companies with the single entity. i.e. Transferee Company.
- (g) The amalgamation pursuant to this scheme will create a focussed platform for future growth of Transferee Company.

1.3. In view of the aforesaid, the board of directors of the Transferor Companies and the Transferee Company have considered and proposed the amalgamation for the transfer and vesting of the entire Undertaking and business of the Transferor Companies with and into the Transferee Company and other matters herein, with an opinion that the amalgamation and other provisions of the Scheme would benefit the shareholders, employees and other stakeholders of the Transferor Companies and the Transferee Company.

1.4. In furtherance of the aforesaid, this Scheme (as defined hereunder) provides for:

- (a) the amalgamation of the Transferor Companies with the Transferee Company; and
- (b) various other matters consequential or otherwise integrally connected herewith;

pursuant to Sections 230 to 232, and other relevant provisions of the Companies Act, 2013 in the manner provided for in this Scheme.

1.5. The amalgamation of the Transferor Companies with the Transferee Company will combine the business, activities and operations of the Transferor Companies and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendments thereto. If any terms and or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provision of said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

1.6. For sake of convenience this Scheme is divided into following parts:
Part A dealing with definitions and share capital of the Transferor Companies and Transferee Company;
Part B dealing with amalgamation of the Transferor Companies with the Transferee Company and other related matters; and;
Part C dealing with general terms and conditions applicable to this Scheme and the dissolution of the Transferor Companies.

PART A

1.7. Definitions

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- (a) **'Act'** means the Companies Act, 2013, as applicable, and rules made thereunder and shall include any statutory modifications or amendments or re-enactment(s) thereof for the time being in force;
- (b) **'Appointed Date'** means the 1st day of April, 2018 or such other date as may be agreed between the Transferor Companies and the Transferee Company and approved by the National Company Law Tribunal;
- (c) **'Board of Directors'** means the board of directors of the Transferor Companies or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- (d) **'Effective Date'** means the last of the dates on which the conditions referred to in clause 16 of this Scheme have been fulfilled. All references in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"Scheme taking effect"** shall mean the Effective Date;
- (e) **'Encumbrance'** means any options, pledge, mortgage, lien, security interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term **'Encumbered'** shall be construed accordingly.
- (f) **'Governmental Authority'** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- (g) **'National Company Law Tribunal' (NCLT)** means the *National Company Law Tribunal New Delhi* having jurisdiction over the

Transferor Companies and the Transferee Company, and shall, if applicable, include the National Company Law Tribunal, Jaipur if and when constituted;

- (h) 'Record Date'** means in respect of amalgamation, the date to be fixed by the Board of Directors of Transferee Company for the purpose of issue and allotment of equity shares of the Transferee Company to the equity shareholders of the Transferor Companies;
- (i) 'Scheme' or 'Scheme of Arrangement'** means this Scheme of Arrangement in its present form or with any modifications, approved or imposed or directed by the Board of Directors of the Transferor Companies and the Transferee Company or by the members or creditors and/or by the NCLT or any other relevant authority;
- (j) 'Stock Exchanges'** means:

 - (i) For Transferor Company 1: Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX) and National Spot Exchange Limited;
 - (ii) For Transferor Company 2: National Stock Exchange of India Limited (NSE);
 - (iii) For Transferee Company: BSE Limited (BSE) and Metropolitan Stock Exchange of India Limited (MSEI).
- (k) 'Transferor Company 1'** means Hem Multi Commodities Private Limited, a company registered under the Companies Act, 1956 and having its registered office at 210, Jaipur Tower, M.I. Road, Jaipur 302001 (Rajasthan);
- (l) 'Transferor Company 2'** means Hem Finlease Pvt. Ltd., a company registered under the Companies Act, 1956 and having its registered office at 203, Jaipur Tower, M.I. Road, Jaipur 302001 (Rajasthan);
- (m) 'Transferor Companies'** mean collective reference to Transferor Company 1 and Transferor Company 2;

(n) **'Transferee Company'** means Hem Securities Limited, is a public limited company registered under the provisions of the Companies Act, 1956 and having its registered office at 203, Jaipur Tower, M.I. Road, Jaipur 302001 (Rajasthan);

(o) **'Undertaking'** shall mean the entire business and the whole of the undertakings of the Transferor Companies as a going concern, all its assets, rights, debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:

(i) All the assets and properties (whether moveable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Companies, whether situated in India or abroad, including, but not limited to land (whether leasehold or freehold), plant and machinery, computers including V-SAT lines and servers, equipment, buildings and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing material, raw materials, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Companies, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including but not limited to lease rights of the Transferor Companies), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns,

warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to any Transferor Companies employee benefit plan, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit, entitlement tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies, in each case, whether in India or abroad.

- (ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies business activities and operations.
- (iii) All Membership of National Stock Exchange of India Limited (NSE), Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited

(NCDEX) and/or Margin money with NSE, MCX & NCDEX and other authorities, intellectual property rights, engineering process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Companies.

- (iv) Amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Governmental Authority, under any law, Act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
- (v) Rights to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, under any law, Act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said Acts or under and in accordance with any law or Act, whether in India or anywhere outside India.
- (vi) All Clients trading accounts, debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Companies and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that, if there exists any reference in the security documents or arrangements entered into by the Transferor Companies under which the assets of the Transferor Companies stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a

reference to the assets pertaining to the Undertaking of the Transferor Companies vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.

- (vii) All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- (viii) All permanent and temporary employees engaged by the Transferor Companies at various locations.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

2 SHARE CAPITAL

2.1. Transferor Company 1

The share capital of the Transferor Company 1 as on Feb 28, 2018 is as set out below:

Particulars	Amount (INR)
Authorised share capital	
15,00,000 equity shares of face value of INR 10/- each	1,50,00,000
TOTAL	1,50,00,000
Issued, subscribed and paid-up share capital	

15,00,000 Issued, subscribed and fully-paid up equity shares of face value of INR 10/- each.	1,50,00,000
TOTAL	1,50,00,000

As on the date of this Scheme, there is no change in the share capital of the Transferor Company 1 from the share capital as set out above.

2.2. Transferor Company 2

The share capital of the Transferor Company 2 as on Feb 28, 2018 is as set out below:

Particulars	Amount (INR)
Authorised share capital	
17,50,000 equity shares of face value INR 10/- each	1,75,00,000
TOTAL	1,75,00,000
Issued, subscribed and paid up share capital	
17,50,000 equity shares of face value INR 10/- each	1,75,00,000
TOTAL	1,75,00,000

As on the date of this Scheme, there is no change in the share capital of the Transferor Company 2 from the share capital as set out above.

2.3. Transferee Company

The share capital of the Transferee Company as on Feb 28, 2018 is as set out below:

Particulars	Amount (INR)
Authorised share capital	
60,00,000 equity share capital of face value INR 10/- each	6,00,00,000
TOTAL	6,00,00,000
Issued, Subscribed and Paid up share capital	
60,00,000 equity share capital of face value INR 10/- each	6,00,00,000
TOTAL	6,00,00,000

As on the date of this Scheme, there is no change in the share capital of the Transferee Company from the share capital as set out above.

2.4. The authorised share capital of the Transferor Companies will be transferred to the Transferee Company as stated under clause 13 of the Scheme. If required further, thereafter, upon the Scheme of Arrangement becoming finally effective, the authorised capital of Transferee Company will suitably enhance at the appropriate time.

PART B
AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE
TRANSFeree COMPANY

3 TRANSFER AND VESTING OF UNDERTAKING

Generally

- 3.1.** Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable.

Transfer of Assets

- 3.2.** Without prejudice to the generality of clause 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) All assets and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies, and all assets and properties which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.
 - (ii) In respect of such assets owned and belonging to the Undertaking of the Transferor Companies as are movable in nature or are

otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies, and shall become the property of the Transferee Company in pursuance of the provisions of Section 232 and other applicable provisions of the Act.

- (iii) In respect of movables other than those dealt with in clause 3.2 (ii) above including without any further act, instrument or deed of the Transferee Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- (iv) All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Companies including in relation to the Undertaking, and all rights and benefits which have accrued to the Transferor Companies shall, under the provisions of Section 230 to 232 and other applicable provisions, if any, of the Act, stand transferred to and vested in or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms and the

Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.

- (v) Transferor companies are member/ trading member of stock exchanges. Consequently, Membership/ Trading memberships held in name on Transferor Companies will be transferred to and vest in the transferee company for which necessary applications will be made by Transferee Company to the respective stock exchanges and other competent authorities.

3.3. Without prejudice to the generality of clause 3.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency, sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the **“Liabilities”**) shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Companies on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

- (ii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Companies as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (iii) All loans raised or used and all liabilities and obligations incurred by the Transferor Companies for the operations of the Transferor Companies after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.
- (iv) The Transferor Companies may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower as the case may be that pursuant to the NCLT sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.
- (v) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower that pursuant to the NCLT having sanctioned the Scheme, the said party, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Companies.

The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Companies which secures or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or

any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Companies have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferor Companies. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- (vi) Loans and advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) if any, due or which may at any time in future becomes due between the Transferor Companies and the Transferee Company shall, ipso facto stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
- (vii) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Transferor Companies and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.
- (viii) It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

3.4. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this clause 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

3.5. Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Companies under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

4 ISSUE OF CONSIDERATION BY THE TRANSFEE COMPANY

4.1. Upon the effectiveness of the Scheme, in consideration of the transfer and vesting of the Undertaking of the Transferor Companies in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Companies (whose names are registered in the Register of Members of the Transferor Companies on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors):

- a) equity shares of face value Rs. 10/- (Rupees Ten) each credited as fully paid up of the Transferee Company in the share swap ratio of 100 (One Hundred) equity shares of the face value of Rs. 10/- (Rupees Ten) each of the Transferee Company for every 1,193 (One Thousand One hundred and Ninety Three) equity shares of Rs. 10/- (Rupees Ten) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company 1.
- b) equity shares of face value Rs. 10/- (Rupees Ten) each credited as fully paid up of the Transferee Company in the share swap ratio of 134 (One Hundred and thirty Four) equity shares of the face value of Rs. 10/- (Rupees Ten) each of the Transferee Company for every 100 (One Hundred) equity shares of Rs. 10/- (Rupees ten) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company 2.

The equity shares to be allotted by the transferee company to the shareholders of Transferor companies be collectively known as “New Equity Shares”.

- 4.2. Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Companies, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 4.3. The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Companies is herein referred to as the **“Share Exchange Ratio”**. In the event of any increase in the issued, subscribed or paid up share capital of the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to the share capital of the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 4.4. In so far as the equity shares of the Transferor Companies held by the Transferor Companies inter se, Transferee Company or its subsidiaries or its limited liability partnerships are concerned, if any, on the Effective Date such shares shall stand cancelled and to that extent the Transferee Company is required to issue less number of shares.
- 4.5. Upon the New Equity Shares being issued and allotted to the shareholders of Transferor Companies, the shares held by the said members of Transferor Companies, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any further act, deed or instrument.
- 4.6. In so far as New Equity Shares are concerned, the same will be distributed in the physical form or in the dematerialized form to the equity shareholders of Transferor Companies, as the case may be, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity

shareholders who hold equity shares of Transferor Companies and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the board of Transferee Company or committee thereof.

- 4.7.** Upon the coming into effect of the Scheme, the New Equity Shares of Transferee Company to be issued and allotted to the members of the Transferor Companies as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Companies as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 4.8.** No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company to the shareholders of the Transferor Companies and the fractional share entitlements, if any, arising out of such allotment, shall be rounded off to the nearest higher complete share.
- 4.9.** In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Companies, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Companies which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.

5 ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES AND SURPLUS OF THE TRANSFEROR COMPANIES IN THE BOOKS OF THE TRANSFEREE COMPANY

- 5.1.** Recognising that the amalgamation is to be considered as an “amalgamation in the nature of merger” in accordance with the provisions of Accounting Standard 14 - “Accounting for Amalgamations” (AS-14), the accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Companies in the books of the Transferee Company shall be governed by, the provisions of AS-14. Accordingly, all the assets and liabilities of the Transferor Companies shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.
- 5.2.** As on the Appointed Date, the reserves, surplus and balance in the statement of profit and loss of the Transferor Companies, if any, will be aggregated with the respective reserves, surplus and balance in the statement of profit and loss of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Companies.
- 5.3.** An amount equal to the balance lying to the credit / debit of the Statement of Profit and Loss in the books of the Transferor Companies, if any, shall be credited / debited by the Transferee Company to the balance of its statement of profit and loss and shall constitute (or reduce, as the case may be) the Transferee Company’s free reserves.
- 5.4.** An amount equal to the balance lying to the credit of Securities / Share Premium Account in the books of the Transferor Companies, if any, shall be credited by the Transferee Company to its Securities / Share Premium Account and shall constitute the Transferee Company’s Securities / Share Premium Account.
- 5.5.** In case of any difference in accounting policies of the Transferee Company and the Transferor Companies, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable Accounting Standards so as to ensure that the financial statements of

the Transferee Company reflect the financial position on the basis of consistent accounting policies.

- 5.6.** Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Transferor Companies and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balance with effect from Appointed Date.

PART C
GENERAL TERMS AND CONDITIONS

6 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 6.1.** Upon the coming into effect of this Scheme and subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect by, for or against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto.
- 6.2.** Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite agreements or arrangements with any party to any contract or arrangement to which the Transferor Companies are parties or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.
- 6.3.** The Transferee Companies shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Companies and the name of the Transferee Company shall be substituted as “Insured” in the policies as if the Transferee Company was initially a party.

7 LEGAL PROCEEDINGS

- a) Upon coming into effect of this Scheme all suits, claims, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been originally instituted and/or pending and/or arising by or against the Transferee Company.

- a) The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Companies referred to in clause 7 (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

8 OPERATIVE DATE OF THE SCHEME

This Scheme shall be operative from the Effective Date, the provisions of this scheme shall be applicable and come into operation from the Appointed Date.

9 STANDSTILL PROVISIONS TILL EFFECTIVE DATE

For the period from the Appointed Date and upto the Effective Date:

- (a) All the profits or incomes accruing or arising to the Transferor Companies or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) of the Transferor Companies shall, for all purposes be treated and be deemed to be and accrued as the profits or incomes or expenditure or losses or taxes, as the case may be, of the Transferee Company.

- (b) All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, GST etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Companies and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, GST etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of its

business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

- (c) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.
- (d) The Transferor Companies shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the Undertaking for and on account of and for the benefit of and in trust for the Transferee Company. The Transferor Companies hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- (e) The Transferor Companies shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior consent in writing of any of the persons authorised by the Board of Directors of the Transferee Company, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets comprising the Undertaking or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business (ii) nor shall it undertake any new business or substantially expand its existing business.
- (f) The Transferor Companies shall not alter its equity capital structure either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of the Board of Directors of the Transferee Company.
- (g) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any

law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies.

10 DIVIDEND

From the date of filing the Scheme to the Effective Date:

- (a) Except as expressly contemplated or permitted by any provision of the transaction agreement, as required by applicable law or with the prior written consent of the Transferee Company (which consent shall not be unreasonably withheld, conditioned or delayed), the Transferor Companies shall not declare/or pay dividends or other distribution payable in cash, stock, property or otherwise, with respect to any of its capital stock,
- (b) The Transferor Companies, except as mentioned otherwise in this Scheme, shall not issue or allot any shares, right shares, or bonus shares or any other security converting into equity or other share capital or obtain any other financial assistance converting into equity or other share capital, unless agreed to by the Board of Directors of the Transferee Company.
- (c) Until coming into effect of this Scheme, the holders of equity shares of the Transferor Companies and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing respective rights under their respective Articles of Association. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and the Transferee Company and subject to the approval of the shareholders, wherever necessary, of the Transferor Companies and the Transferee Company, respectively.

11 TRANSFEROR COMPANIES' EMPLOYEES

- (a) Upon the Scheme coming into effect and with effect from the Appointed Date, all permanent employees (including deputed

employees) of the Transferor Companies, shall become employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service, and on terms and conditions as to employment and remuneration not less favourable than those on which they are engaged or employed by the Transferor Companies, so as to become as and from the Appointed Date, the employees of the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Companies with any union/employee of the Transferor Companies recognized by the Transferor Companies.

- (b) Without prejudice to the provisions of this Scheme and the rights and obligations of the Transferee Company under applicable laws, for a period of 12 months after the Scheme comes into effect, (the “**Relevant Period**”), the Transferee Company shall provide each such employee of the Transferor Companies whose employment was transferred to the Transferee Company pursuant to this Scheme (each, a “**Transferred Employee**”) with compensation and benefits that are substantially comparable in the aggregate economically to the compensation and benefits provided to such Transferred Employee immediately prior to the Scheme coming into effect; *provided, however,* that during the Relevant Period there shall be no decrease in a Transferred Employee’s base salary or base wage rate in effect immediately prior to the Scheme coming into effect. To the extent that: (i) the applicable law of any jurisdiction; (ii) any collective bargaining agreement, works council agreement or similar agreement; or (iii) any employment agreement would require the Transferee Company to provide any more favourable terms of employment to any Transferred Employee than those provided in the preceding sentence, the Transferee Company shall provide such more favourable term, and otherwise provide terms of employment in accordance with the preceding sentence.
- (c) It is provided that so far as the provident fund, gratuity fund, or any other special scheme(s)/ fund(s), or other benefits if any, created or existing for the benefit of the existing or past employees of the Transferor Companies are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever related to the administration or operation of such schemes, funds or benefits or in

relation to the obligation to make contributions to the said schemes, funds or in respect of such benefits in accordance with provisions of such schemes, funds or benefits as per the terms provided in the respective trust deeds or employee benefit plans or policies, to the end and intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such schemes, funds or benefits shall become those of the Transferee Company. Without prejudice to the generality of the foregoing, any such funds and the investments made out of such funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. Such funds shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Companies or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own fund with respect to any such funds of the Transferor Companies, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the funds and the investments and contributions pertaining to the employees of the Transferor Companies shall be transferred to such funds of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having been continuous for the purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Companies and the Transferee Company shall undertake all the necessary steps and / or formalities as may be required to be carried out be done by the for transfer of such fund/assets/value, etc. to the Transferee Company in this regard.

12 DISSOLUTION OF THE TRANSFEROR COMPANIES AND VALIDITY OF RESOLUTIONS

- 12.1.** Upon the effectiveness of this Scheme, the Transferor Companies shall be dissolved without winding up, and the Board of Directors and any committees thereof of the Transferor Companies shall without any further act, instrument or deed be stand dissolved.
- 12.2.** Even after the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts relating to Transferor Companies and realize all monies and complete and enforce all pending

contracts and transactions in the name of Transferor Companies insofar as may be necessary until the transfer and vesting of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme is formally effected by the parties concerned.

12.3. Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

13 AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY

13.1. Increase of authorised share capital

- (a) As an integral part of Scheme, and, upon coming into effect of the Scheme, the authorized share capital of the Transferor Companies, as on the Effective Date, shall be added to the authorized share capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the memorandum of association of the Transferee Company shall be altered accordingly.
- (b) Clause V of the memorandum of association of the Transferee Company shall, without any further act or deed, be substituted by the following clause, as amended from time to time:

V. The Authorized Share Capital of the Company is Rs. 9,25,00,000 (Rupees Nine Crores and Twenty Five Lakhs Only) divided into 92,50,000 (Ninety Two Lakh and Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

- (c) Under the accepted principle of single window clearance, it is hereby provided that the amendment in clause 13.1 shall become operative on the Scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the

Scheme as a whole, have approved and accorded the relevant consents as required under the Act and shall not be required to pass separate resolutions as required under the Act. For this purpose, the filing fees and stamp duty already paid by the Transferor Companies on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

14 APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL

14.1. The Transferor Companies shall make all applications/petitions under Sections 230 to 232 and other applicable provisions of the Act to the NCLT, for sanctioning of this Scheme and for dissolution of the Transferor Companies without winding up under the provisions of Act and to obtain all approvals as may be required under law.

14.2. The Transferee Company shall also make all applications/petitions under Sections 230 to 232 and other applicable provisions of the Act to the NCLT, for sanctioning of this Scheme under the provisions of Act and to obtain all approvals as may be required under law.

15 MODIFICATIONS, AMENDMENTS TO THE SCHEME

15.1. If at any time the NCLT, or any regulatory authority, suggests or requires material modifications or amendments to the Scheme, such modifications or amendments shall not be binding on the Transferor Companies and the Transferee Company except with their prior consent (which consent shall not be unreasonably withheld by any party); provided, however, that where any modification or amendment relates to severance or non-approval of any part of the Scheme, which part is capable of otherwise being lawfully performed in accordance with the agreement between the Transferor Companies and Transferee Company, the Transferor Companies and Transferee Company shall perform such part accordingly.

15.2. Subject to the foregoing, the Transferor Companies (by any of their respective Directors) and the Transferee Company (by any of its Directors):

- (i) May in its full and absolute discretion assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the NCLT, or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.
- (ii) Are authorised to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme;
- (iii) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.
- (iv) Mutually agree to modify any of the terms of this Scheme in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.

16 SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS

This Scheme is conditional upon and subject to:

- (a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and / or creditors of Transferor and Transferee Companies as may be directed by the NCLT,
- (b) The Sanction and orders under the provisions of Section 230 to 232 of the Act being obtained by the Transferor Companies and Transferee Company from NCLT,
- (c) Certified copy of the order of the NCLT, or such other competent

authority sanctioning this scheme being filed with the Registrar of Companies, Rajasthan in appropriate e-forms.

17 TAXES/ DUTIES / CESS ETC.

- (a) The Transferee Company will be successor of the Transferor Companies. The unutilized credits relating to excise duties paid on inputs lying to the account of Transferor Companies as well as the unutilized credits relating to Service Tax paid on input services consumed by the Transferor Companies shall be transferred to the Transferee Company automatically without any specific approval or permission as an integral part of the Scheme.
- (b) Income taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, Minimum Alternative Tax, wealth tax, if any, paid by the respective Transferor Companies shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable. MAT credit available with the Transferor Companies under Income Tax Act, 1961, if any, shall be available to the Transferee Company.
- (c) If any of the Transferor Companies is entitled to any benefits under incentive schemes and policies, it is declared that the benefits under all such incentive schemes and policies shall be transferred to and vested in the Transferee Company. The Transferee Company shall be entitled to deduction of book losses or depreciation, whichever is lower, (if any) for the purpose of calculation of MAT for the Transferee Company.
- (d) Upon this Scheme being effective, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

18 EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION

- 18.1.** In the event any of the conditions, sanctions and/or approvals referred

to in the preceding clause 16 above have not been satisfied or obtained, as the case may be, and/or the Scheme has not been sanctioned by the NCLT, and/or the Order(s) has not been passed as aforesaid on or before December 31, 2019 or such other date as mutually agreed by the Transferee Company and the Transferor Companies ("**Long Stop Date**"), either the Transferor Companies or the Transferee Company may opt to terminate this Scheme. If the Transferor Companies and the Transferee Company jointly opt to withdraw\terminate this Scheme, this Scheme shall stand revoked, cancelled and be of no effect and in that event no rights and liabilities whatsoever shall accrue to or be incurred or claimed inter se by the parties or their shareholders or creditors or employees or any other person. Provided however, that the right to terminate this Scheme shall not be available: (i) to the Transferor Companies, if the Transferor Companies' failure to fulfil any obligation mutually agreed with the Transferee Company shall have been the cause of or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date; and (ii) to the Transferee Company, if the Transferee Company's failure to fulfil any obligation mutually agreed with the Transferor Companies shall have been the cause of or shall have resulted in, the failure of the Effective Date to occur on or prior to the Long Stop Date.

18.2. In case the NCLT, do not approve the Scheme or there is a delay in obtaining approvals beyond a reasonable time as the Board of Directors of the Transferee Company may consider fit, such part, paragraph or clause relating to amalgamation of Transferor Companies with the Transferee Company, as the case may be, shall be severable from the Scheme and the Board of Directors of the Transferee Company shall be entitled to amend, cancel and/or modify any part, paragraph or clause of the scheme as will best preserve for the remaining parties the benefits and obligations of the Scheme. Such amended or modified Scheme shall continue to be effective in respect of the Transferee Company and such other Transferor Companies in respect of whom the Scheme has been approved by the National NCLT,

18.3. If any part of this Scheme hereof is invalid, ruled illegal by any NCLT, of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Companies and the Transferee Company that such part shall be severable from the remainder of the Scheme.

19 SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

20 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses, including any taxes and duties of the Transferor Companies and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Transferee Company. Stamp duty on the orders of the NCLT, if any and to the extent applicable, shall be borne and paid by the Transferee Company.